

MINUTES of
AIRPORT BOARD MEETING
June 14, 2006
Aurora Room, 7:00 p.m.

I. **CALL TO ORDER:** Chair Ron Swanson called the meeting to order at 7:00 p.m.

II. **ROLL CALL:**

Members Present:

Pete Carlson	Fred Gaffney	Ron Swanson
Gordon Evans	Joe Heueisen	Tom Williams
Eric Forrer		

Staff/CBJ Present:

Allan Heese, Airport Manager	Ben Mello, Airport Planner
Patty deLaBruere, Airport Business Mgr.	Pam Chapin, Secretary
Jerry Mahle, Airport M&O Superintendent	Rod Swope, City Manager

Public Present:

Jerry Godkin, Public

III. **APPROVAL OF MINUTES:** *Pete Carlson moved, Tom Swanson seconded, the adoption of the May 10, 2006, minutes as presented. The motion passed by unanimous consent.*

IV. **APPROVAL OF AGENDA:** *Gordon Evans moved, Pete Carlson seconded, to approve the agenda. The agenda was approved by unanimous consent.*

V. **PUBLIC COMMENTS:** It was noted that Jerry Godkin had applied for the Airport Board. Of the three applicants for the two vacant positions, one did not attend the Assembly's review process. It was expected that Gordon Evans would be appointed again to the Board, with Jerry Godkin as a new member. Chair Swanson and the Board thanked Tom Williams for his work on the Board.

VI. **UNFINISHED BUSINESS:**

A. **EIS Update:** Communication between the Airport, FAA, SWCA, and Carson Dorn continue on the Final EIS and Permit Application. The latest schedule calls for the EIS completion in January 2007, with a record of decision expected in March 2007. The most recent schedule shift was due to addition of the new alternatives presented by the FAA and JNU.

Staff received a draft of the revised first chapter of the FEIS a few days ago and was asked for comments. SWCA, through a sub-consultant, will evaluate the most likely RSA alternatives to determine how the FAA-approved Required Navigation Performance (RNP) procedures will be affected, and potential impacts to Alaska Airlines' special approved departure and landing procedures and minima will be identified. This may affect the feasibility of some RSA alternatives.

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Another possible glitch that is being evaluated is the west end fill and the impacts this may have on the Mendenhall River. Initially, the most intrusive fill footprint with the respect to the river was Alternative RSA-6B, which puts EMAS at both ends. That footprint was copied for both the new FAA and JNU alternatives. However, upon development of more design detail, the viability of that footprint is in question. If nothing is done to remediate the fill, it is possible that under a high tide and a 100-year flood condition, the Airport could see a two to three-foot increase in the elevation of the river. It is now being reviewed whether the amount of fill in the river can be shortened by modifying the road or trail around the end of the runway or should some work be done on the west bank of the river to maintain the width of the river around the new amount of fill. Worst case, everything would have to be relocated further east, which would be a tremendous change to the alternatives that have been put forward to date. The current road is narrow and if an aircraft is being towed on a trailer, it is difficult for anyone to pass. Under the new alternative, the road would be expanded so an airplane could be towed, with the ability of a vehicle to pass in the opposite direction. Can the width be maintained given the possible impacts to the river, or would this road be essentially one-way traffic? If it is one-way traffic, how would the traffic be controlled?

Chair Swanson brought up the current float plane launch ramp into the river and asked if this would be a good time to make this a better launch ramp. This ramp is used during the winter when the pond is frozen. Airport Manager Allan Heese said there is nothing that would preclude this, and this is a good time to bring it up. Fred Gaffney said he was disappointed that after seven years and millions of dollars he was very disappointed in whoever had decided the footprint and why hydrologists were hired and why go through the whole process in the first place. Mr. Heese agreed with Mr. Gaffney. If staff had not started looking at some of the impacts locally, the FAA seemed destined to select the Alternative 6B as their alternative because the Airport's alternative was also based on the FAA alternative. When this was reviewed closer, it was noted that there would be some significant impacts. The FAA had not looked at that level of detail and was going along as if there would be no problem. The FAA and the consultant are both a little embarrassed. It is not known what the remedy would be at this point.

B. Land Acquisition Update: The City & Borough of Juneau's Land Department is working with Airport staff to hire an appraiser that specializes in Airport land purchases. Airport staff has been in contact with the land owners (parcels 8 and 9) over the last month to ensure that they are still open to discussions concerning the purchase of their land, and they are. Time will only tell whether or not the appraised value will be approved by all parties.

C. Terminal Project Update: Airport staff is awaiting the Governor's signature to the State Capital Budget, which has \$1,000,000 allocated to the Airport for a Terminal Enhancement Project. Staff is currently working on several alternatives (dependent on funding) that will allow for a phased project. This phased project could include the following pieces that might be able to be constructed depending on available funding:

1. Roof replacement
2. Mechanical room relocation
3. Baggage claim area expansion

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This topic could have impacts on or be impacted by the overall Airport Capital improvement program. Fred Gaffney said that having unattached money that can be used for matching a grant in the future would be the appropriate place to put the money. He thought this should be put before the Finance Committee or have staff put together a funding package and run it through the normal process.

Mr. Heese said that staff sees the \$1 million from the State (added with the \$1 million of AIP entitlement that has been held for something to happen this year) as a very good start on designing the three projects listed and whatever else the Board may want to do. Three years from now when the bulk of the projects in the EIS are done, new FAA dollars and some new PFC applications would start freeing up some funding. This would generate additional money to fund terminal work. He suggested this be presented through a Committee of the Whole meeting, which is a less formal process than a Board meeting.

Tom Williams said that according to the By-Laws, everything that relates to finance is supposed to go through the Finance Committee. He recommended that a joint Committee of the Whole and Finance Committee meeting, chaired by the Finance Chair, which would satisfy the requirements of the By-Laws. Chair Swanson said the whole Assembly sits as the Assembly Finance Committee. The burden the Airport Board placed on the three people this past budget season was excessive. He was prepared to suggest that when it comes to budget time and other select times such as this, the whole Board should sit as the Finance Committee, with the Finance Committee as Chair.

Eric Forrer noted that significant amounts of money have been spent on designs, concepts, engineering and alternatives that turn out to be seriously flawed, which makes the majority of the population say that government does not work. The reason it does not work is because groups like the Board allow it to slide by. *Eric Forrer moved, Fred Gaffney seconded, that the Airport Board requests staff to bring back to the Board a proposal to achieve accountability in the design and engineering which has occurred to date, which now appears to be flawed, specifically the river.* Mr. Forrer said this is a research project to get some accountability. Mr. Gaffney said the Board needs a report on who screwed up, why and where with respect to the hydrology report. The Board will then discuss this further. Staff needs to pull together the detail of where the professional failure was. Chair Swanson said that a resolution passed by the Board about no EMAS at this airport has had no effect on anyone. He supported the motion, but did not know where it would go.

Mr. Forrer said the resolution can be dismissed until the FAA says "You will have EMAS," at which point by so doing they have vacated the Airport Board's authority. The instant they say that there will be EMAS in Juneau, the Airport Board ceases to exist and there will be a head-to-head battle. Can the FAA by an action which violates a formal resolution of a public body ignore the existence of that entire body of regulation and structure because of whatever reason? He thought that if EMAS goes through, the Airport Board ceases to exist and there is a governance crisis because there will be no Airport Board to talk to. All of the paperwork gets sent to the FAA – it's their airport now because they have vacated the authority of the Board. Either this is a formal group that gets a formal response from other such similar organizations

or it isn't. This moment might come and it will be a struggle between recognition of formal structures or dismissal of formal structures. This would be a big step at least in a philosophical stance of governing democracy.

Mr. Heese said he was concerned about whether the Board is asking staff to come up with a solution to solving the problems of all consultants and contractors. The City often struggles with this and often says there is no satisfactory remedy and the City may have to eat a lot of problems that it just doesn't want to fight. He said if it has to do with the Mendenhall River flooding issue, he was concerned that what he said may have been misinterpreted – how severe the real problem is or the possibility that there was malfeasance or malpractice. He thought that the specific case is a process breakdown.

The NEPA process states what has to be done to get a final EIS and Record of Decision, which requires a certain level of detail. In this case, the level of detail was not taken to the degree that pointed out the problems that staff found when staff started providing the detail. Should someone have been looking into that kind of detail earlier on? Probably. Fingers could be pointed and it could be stated that you should have been looking at that detail because of the potential for the flooding. It could be said, "As a hydrologist, you should have thought that this could potentially have been a bigger problem and, therefore, should have taken it to a more detailed level." This could be done. This could potentially be taken to the FAA, and the FAA would say, "You are right, that should have been considered as a possible problem and because it wasn't, we'll slap the contractor's hand on that and we'll make the contractor pay for any work they have to do to recover from that," which could be the likely outcome.

Mr. Heese said that for years Alaska Airlines has said they did not see major impacts to changing the thresholds. As long as one tiny part is dealt with, there will only be minor impacts. When a new proposal was brought before Alaska Airlines this spring, staff asked for the same minor impacts letter. Alaska Airlines came back and said this was a major impact (specifically the RNP procedure), which is costing several thousand dollars to look at. This is sort of the same category. He thought the specific instance needs to be focused as opposed to fixing all the problems of contracting in the world. *The motion passed by unanimous consent.*

VII. **NEW BUSINESS:**

A. **Committee of the Whole Meeting to Discuss CIP, PFC and AIP Issues:** Numerous issues pertaining to our CIP, past/current/future PFC applications, and AIP grants require discussion by the total Board. Because of the complexities and the likely "workshop" nature of the discussions, the best venue for this discussion might be a Committee of the Whole (COW) meeting.

Topics for the COW meeting include:

- Timing for completion of the EIS and impacts it will have on the overall CIP
- Possible deletion of projects from PFC funding under past PFC application
- Possible funding of JNU match requirements using dredged materials from the float pond
- Possible generation of Airport royalties from materials dredged from the float pond in excess of that required for match of FAA grants

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- Terminal expansion project; scope and how it might fit into the CIP

Should the Board choose to take this up at its regular Board meeting, staff will plan on presenting this at the July meeting. In either case, this serves as an introduction to the topics, with a full agenda being prepared for the Board's desired venue. *Gordon Evans moved, Fred Gaffney seconded, to have a joint Finance Committee and Committee of the Whole meeting prior to the July meeting to discuss the matters that are listed in items A. and B. of the new business. The motion passed by unanimous consent.* Airport Manager Heese said that these two items have been split in the agenda because there are numerous topics that deal with the operating budget (a Finance Committee issue) and numerous issues dealing with the capital improvement program. Combining those issues into one meeting may make for a very long meeting. Discussion was held regarding a date for the meeting. Chair Swanson suggested that these items be discussed at the July 12 meeting. If the Board cannot get through it all, it can then be referred to the Finance Committee and the Committee of the Whole.

Gordon Evans moved, Fred Gaffney seconded, to rescind the Board's action in adopting the motion. The motion passed by unanimous consent. Gordon Evans moved, Eric Forrer seconded, to discuss the issues at the July meeting and, if necessary, postpone it to a later date in July. Tom Williams did not feel that discussions of the FY 07/08 budgets needed to be rushed into. He felt the further you get down the road into the year, the better it will be to take up the operating budget. Chair Swanson said it can be taken up in July and the parts necessary to be discussed will be discussed at that time. Those parts that need to be reviewed later will be reviewed later. *The motion passed by unanimous consent.*

Airport Manager Heese said that if anything was to go forward for the AIP funding, it could not be discussed in July and then taken up again in August because that would not meet the FAA requirements for the FAA window of opportunity. He said there may be a couple of things that will be taken up for action at the July meeting. Airport Planner Ben Mello said that discussion of the PFC process is also necessary sooner rather than later. Pete Carlson asked that the information go out to the Board sooner rather than later. Tom Williams asked to keep the tenants involved in the process. He felt that some sort of a meeting should be held prior to the Board meeting before action is requested. Chair Swanson said that tenants will get as much warning as the Board for the July meeting. He noted that the terminal priorities were those that were recommended from the Terminal Expansion Committee.

B. Finance Committee Discussion: The Finance Committee has a couple of IOU's for consideration over the next couple months. We need to look at: the Rates and Charges model within our 07/08 Proposed Budgets, the use of Airport Retained Earnings (specifically the \$235,000 being applied to the FY08 deficit), reassess cuts to FY08 expenses, discuss diversification of revenues and development, discuss request for City tax (sales or property) reprieve, and discuss our Capital Reserve/Emergency Maintenance which have been cut from the budget (how do we look to match/bond for terminal project or other projects). While all of these issues are finance-related, they have great impact on the Airport as a whole and may warrant discussion within a Committee of the Whole meeting. Staff also thought that annual budget discussions may need the input from the whole Board.

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At the May Board meeting, staff mentioned that Ken Sura, Axis Consulting, the financial sub-consultant for the terminal project planning and developer of the new financial model, had offered his services to teach the model and look at discrepancies with the Airport allocations. The Board directed staff to inquire about costs for Mr. Sura's assistance. Mr. Sura has generously offered his time if the Airport would pay for his airfare. Since he is working with the Anchorage Airport, he is making monthly trips that we could "tag" along and pay for his flight between ANC and JNU. Staff is looking at inviting Mr. Sura for a July visit to go over the model in detail. We would set up a meeting with staff first and maybe follow-up with a Finance Committee meeting. The Board agreed with paying for Mr. Sura's airfare and working with staff and the Finance Committee.

C. **Airport Manager's Report:** Airport Manager Heese reviewed the Airport Manager's Report (Attachment #1).

VIII. **ASSEMBLY LIAISON COMMENTS:** None.

IX. **PUBLIC COMMENTS:** None.

X. **BOARD MEMBER COMMENTS:**

A. Tom Williams noted that Costal filled an area to expand their helicopter operations. Originally there was an idea to cover it with pavement or concrete. Is this still in the plan? The rocks that are in that area are being spread throughout the field, which may be a problem. Mr. Heese said that conversations have been held with Coastal regarding some type of dust suppression. They had discussed having concrete pads installed, and this is back in their plans. The rocks have been noted as a problem.

B. Gordon Evans noted that this would be what Jerry Godkin has in his future. He thanked Tom for his service.

XI. **ANNOUNCEMENTS:** None.

XII. **TIME AND PLACE OF NEXT MEETING:** The next regular Airport Board meeting will be held on July 12, 2006, at 7:00 p.m. in the Aurora Room.

XIII. **AIRPORT MANAGER'S EVALUATION:** *Gordon Evans moved, Eric Forrer seconded, the Board adjourn the regular meeting and ten minutes from now the Board convene in an executive session pursuant to all the pertinent Alaska and CBJ laws to evaluate the Manager. The motion passed by unanimous consent.*

A break was held from 8:13 p.m. to 8:25 p.m.

The Board went into Executive Session at 8:25 p.m. for discussion of personnel matters. Present were all Board members and City Manager Rod Swope. The executive session was adjourned and the Board went back into the regular meeting at 10:05.

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- XIV. **ADJOURN**: *Tom Williams moved, Fred Gaffney seconded, to “recess to a call of the Chair” the regular board meeting. The meeting recessed by unanimous consent at 10:06 p.m.*

ATTACHMENT #1

JUNEAU INTERNATIONAL AIRPORT MANAGER'S REPORT

June 14, 2006

1. Frost Heave. A frost heave problem has developed over the last several years between the row of five executive hangars (Middleton hangars) and the 13 T-hangars. This has caused the asphalt to ripple in the winter time. When there is a substantial amount of water, it flows into and through the hangars. Staff is trying to figure out how to deal with this problem. This is being brought to the Board's attention because staff will most likely be coming to the Board for a potential \$70,000 to \$80,000 repair.
2. JNU As Possible Conference Host. The American Association of Airport Executives (AAAE) holds a broad spectrum of conferences, workshops, and courses around the country during the year. Staff is investigating the possibility of hosting one of these, the Airfield Lighting & Maintenance Course, in Juneau. It would bring more visitors into the community and give us an opportunity to show the "JNU flag." At this time we are uncertain exactly how it would work and what the cost might be. It is likely there would be some budget necessary to support this idea; therefore, we will work to determine the viability of this idea and return in the future to request Board approval prior to committing to the role of host. Pete Carlson suggested bringing JCVB into this process (which staff has done). Gordon Evans suggested getting money from downtown for this item.
3. Welcome to Juneau Sign. The Juneau Rotary Club is undertaking a project to provide a new "Welcome To Juneau" sign for the Airport. The idea is that it would replace the current wooden sign located immediately east of the employee parking lot. It is early in the discussion, so no hard ideas or plans are yet developed. They will be coming before the Board in the future for a presentation once their ideas are much more fully developed. It is expected that this sign would be placed within the next year.
4. Tower Hours Reduction. Steve Turner, Manager of the JNU ATCT, is proposing a reduction in the Tower hours of operation. This is partially in response to reductions in staffing levels; it is also warranted by the low levels of activity during the hours in question. Current hours are from 0600 to 2300, year round. New hours (if this reduction is approved) would be the same during April through September, but starting October 1 Tower hours would be 0700 to 2000 until the end of March when they would go to the extended hours.
5. Table Top Emergency Exercise. The FAA-mandated annual emergency exercise was held May 23 in the Terminal Aurora Room. The scenario was a 737 aircraft being backed away from the terminal was struck by a load of equipment and materials inadvertently released from a helicopter sling. The impact ruptured fuel tanks, caught the aircraft on fire, with an ensuing explosion and fire spreading to the terminal. The terminal caught on fire requiring terminal evacuation.

Representatives from numerous agencies participated in this Table Top Exercise. Participants identified their agency and discussed their role in an airport emergency in general terms. Then we spoke to this scenario directly with specific actions to be taken by the people present. All in all, it was an excellent opportunity for Airport staff to interface and review how such a scenario would be handled.

6. Appeal of Fuel Farm Lease. The Airport's decision to lease a portion of the Airport Fuel Farm has been appealed to the Assembly by an airport neighbor. The Assembly has decided to hear the appeal themselves and Mayor Botelho has been named as the Presiding Officer. The tentative schedule for the appeal is that it will be heard on July 15, 2006, at 5:00 p.m.
7. Contamination Cleanup Follow-up. Several years ago, old and unused fuel tanks were removed from the fuel farm. During that removal, we found significant contamination at the site. Chevron Oil stepped up as the responsible party and has been working to clean up the area and monitor conditions since the tank removal. During the week of June 1, Chevron had a contractor on the site to follow up with investigations of the area. Some test holes were drilled and dug, and a couple of small trees in the area were cut to provide access for these investigations. While not completely clean, little new or additional contamination was found. We anticipate their report in a few weeks.
8. Electrical Power Upgrade. We recently had a planned power interruption to the terminal to upgrade electrical service to the terminal. AEL&P needed to reroute the main terminal power feed in an area off airport. They determined that the existing cables were very old and the airport would benefit from upgrading these cables. To accomplish this work, they needed to disconnect commercial power for a couple of hours. Our emergency back-up generators were prepared and kicked in as designed. The whole interruption lasted less than one hour, there was very little disruption in the terminal, and the airport got new power cables in the bargain.
9. Sterile Area Exit Doors. We anticipate the automatic sliding doors for the sterile area exit lane will be arriving in Juneau shortly and installed within the next two to three weeks. The construction we have completed so far has gone a long way to eliminating alarms due to people going backwards through the exit.
10. EPA Issues. The EPA Questionnaire was sent back to the EPA on June 5, 2006. Staff will continue to follow the progress of development of the Effluent Limitation Guidelines (ELG) as it moves through the EPA process. If/when there are times to comment on the ELG we will do so.

Also, in a separate, but associated issue, the Multi-Sector General Permit issued by the EPA was due to expire; however, the Federal government has extended it until they complete their new permit guidelines. The current Airport Storm Water Pollution Prevention Plan (SWPPP) is still in affect but staff is revising it to include recent changes in the Airport environs - new taxiways, Delta One ramp, etc. Staff will incorporate the new Federal and State guidelines into our SWPPP once they are issued.

11. Enplanements. Alaska Airlines enplanements for May 2006 are .23% below May 2005. Total year-to-date enplanements for 2006 are still 1.8% above 2005. This equates to 1,724 more enplanements. Both monthly and year-to-date deplanements for '06 are more than 2% ahead of '05.
12. Alert 2:
 - A. On Saturday, May 13, 2006, just before 2:00 p.m., the pilot of a small, private plane reported to the Tower that he had hydraulic failure. The pilot landed his Cessna about five minutes later without further incident. The pilot was from Wasilla.

- B. On Saturday, May 27, 2006, at 3:26 p.m., Airlift Northwest notified the Tower that they had a left engine failure on their Lear medivac jet. The engine lost oil and shut down in flight. The aircraft landed 20 minutes later without further incident.
13. Other incidents: On Wednesday, May 31, 2006, about 6:20 p.m., a Coastal Helicopters helicopter crashed on the Herbert Glacier. All occupants were flown back to the Airport via another helicopter, with only minor injuries reported.
14. Construction Report:
- A. **Delta-1 Ramp Construction.** Secon has placed nearly all of the sub-base, and most of the 12" of D-1 gravel. The drainage structures should be completed in the next few days; that should take less than ten working days, weather permitting, and then asphalt paving should begin. Secon seems to be meeting the construction schedule they submitted. Weekly status meetings are being held until the project is complete.
- B. **Main Ramp Improvements.** According to DOWL Engineering, prime contractor, completion of 65% design plans will be available in mid June, and a 65% design meeting with the Airport staff is scheduled for June 27. Efforts to flush sediments from and run a camera through the existing pipes (to determine their condition after nearly 30 years) are underway. This work has taken more time than originally anticipated and may increase the cost of the design effort. One damaged pipe has been located between the "Charlie" interlink with the parallel taxiway and the terminal parking gates. This will be contracted through the Informal Bid process, so that the repair can be completed as soon as possible, rather than waiting for the project construction next spring. The cost is expected to be less than \$15,000, but no construction cost estimate will be available until we finalize our construction approach.
- C. **Float Pond Dredging.** The engineering team of Toner-Nordling (prime), DOWL, and Moffat-Nichols (M&N) was selected for the study. They will provide a survey of the float plane pond area, a bathymetric survey, and initial geotechnical testing and evaluation of the soil characteristics of the material to be dredged. M&N is recognized as one of the best dredging consultants on the west coast. Two reports on the initial geotechnical investigation and a conceptual dredging plan will be produced which will provide additional information to support the EIS and Permits application. Those will also be used as the basis for our design decisions and in the bid documents (plans and specs). All work is scheduled to be completed by October. Work to survey the bottom of the pond has begun; we expect it to take about a week. Following that, survey of the dike and other areas will be accomplished. Airport field staff will escort the surveyors and a NOTAM issued for work in the water runway and taxilanes. Some minor tree brushing or limb cutting will be necessary to complete the survey work.